GOVERNMENT OF INDIA
COAL
LOK SABHA

UNSTARRED QUESTION NO:524
ANSWERED ON:26.02.2015
PRIVATE PARTICIPATION
Ramachandran Shri Krishnan Narayanasamy

Will the Minister of COAL be pleased to state:

(a) whether there is any private participation with regard to production of coal in the country; and

(b) if so, the details thereof?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) FOR POWER, COAL AND NEW & RENEWABLE ENERGY (SHRI PIYUSH GOYAL)

(a) & (b): Hon'ble Supreme Court of India in its judgment dated 25.08.2014 and order dated 24.09.2014 passed in W.P.(Criminal) No.120 of 2012 and other connected matters has declared all allocations of the coal blocks made through Screening Committee and through Government Dispensation route since 1993 as illegal & arbitrary and has cancelled the allocation of 204 coal blocks out of 218 coal blocks. In case of 42 coal blocks (37 producing and 05 likely to come under production), cancellation shall take effect from 31.03.2015. Out of the 42 coal blocks, 18 coal blocks allocated to private sector companies have come into production. In addition, 02 coal blocks allocated to Ultra Mega Power Project have also come under production. Further, 02 coal mines namely West Bokaro and Jamadoba are operated by Tata Steel Ltd. since pre-nationalisation period.

In view of the judgement/order of Hon'ble Supreme Court, it was considered expedient in public interested by the Central Government to take immediate action so as to ensure energy security of the country and to minimize any impact on core sectors such as steel, cement and power utilities, which are vital for the development of the country. Accordingly, the Government has promu- lgated the Coal Mines (Special Provisions) Ordinance, 2014 on 21.10.2014 for allocation of cancelled coal blocks to be selected through an auction or allotment to Government companies as the case may be. The Ordinance has also inserted Section 3(A) in the Coal Mines (Nationalisation) Act, 1973 and amended Section 11(A) of the Mines and Minerals (Development and Regu- lation) Act, 1957 thereby removing the restriction of end use from the eligibility to undertake coal mining.

As the Coal Mines (Special Provisions) Bill, 2014 which was introduced in the Parliament was under consideration of the Rajya Sabha, the Coal Mines (Special Provision) Second Ordinance, 2014 was promulgated on 26th December, 2014.

Further, the Board of Coal India Limited (CIL) has recently finalized a Model Contract Agreement (MCA) for mining of coal in the various mines of CIL. As per this MCA the mine operator shall be responsible for development and operation of the coal mine, construction of infrastructure facilities etc. However, the respo- nsibility of acquisition of land, obtaining statutory clearances etc. shall be with CIL/subsidiary companies. The mine operator shall also be responsible for taking physical possession of land but compensation for land and Resettlement & Rehabilitation (R&R) shall be paid by CIL as per its approved R&R policy.